



**California Department of Veterans Affairs  
Disabled Veteran Business Enterprise (DVBE) Advisory Council  
Meeting Minutes, Thursday May 20, 2004**

**Location**

Medal of Honor Hall  
California Department of Veterans Affairs  
1227 O Street  
Sacramento, California, 95814

**Participants**

**DVBE**

- Allen Amaro
- Larry Brooks
- Jerry Caton
- Gene Farnsworth
- Don Gonneville
- Floyd Knox
- Rondia Moss
- Bob Mulz
- Kevin O'Connor
- Mike O'Connor
- John Rak
- Jim Stanfield
- Francis Trottier
- Tim Voors
- A.J. Wilson
- Bob Yaap

## **CDVA**

- Sheryl Schmidt, Acting Deputy Secretary, Operations and Administration and Deputy Secretary, Women's Veterans Affairs
- Jack Kirwan, Chief, Veterans Services Division; Statewide DVBE Program Advocate; Council Co-Chair

## **DGS**

- Mariel Dennis, Chief, Office of Small Business and DVBE Services Branch
- Gloria Anderson, Certification and Compliance Manager
- Patricia Connors, Utilization and Development Manager
- Faye McGirr, Chief, Contracts Management Section
- Carlos Toirac, Contracts Manager, Construction Contracts

## **DVBE Advisory Council Members Absent**

- Alison Boyle
- Ken Jackson
- Michael Johnson
- Mike O'Connor
- John Robbins
- Larry Turner

## **Welcome and Introductions**

Don Gonneville, Co-Chair, CDVA DVBE Advisory Council, opened the meeting at 1:04 p.m. and thanked Council Members and guests for their attendance. He then asked Sheryl Schmidt to introduce the new Co-Chair. Ms. Schmidt gave a brief background history and introduced Jack Kirwan. Ms. Schmidt said Mr. Kirwan was retired from the Navy after 25 years active duty. Mr. Kirwan said he was looking forward to working with the council and moving the program forward in a progressive way. Mr. Gonneville asked Ms. Schmidt if Mr. Kirwan had also been designated the statewide DVBE Advocate to which she replied yes.

## **Approval of Minutes**

Mr. Gonneville asked if the Council had time to read the Minutes from the last meeting. Mr. Kirwan asked if anyone had a motion to approve the Minutes. Floyd Knox motioned to approve the Minutes, seconded by Gene Farnsworth. All in favor, none opposed. Minutes approved at 1:08 p.m.

## **Contracts Process**

Mr. Gonneville asked Mariel Dennis from DGS to introduce the next speakers. Ms. Dennis introduced Faye McGirr and Carlos Toirac from Real Estate Services. Ms. McGirr asked Mr. Toirac to address contracting and real estate services within the state.

Mr. Toirac began at 1:10 p.m. and went over a handout called Proactive Strategies Employed by RESD to Increase Opportunities for DVBE Participation. The handout lists actions taken by the Real Estate Services Division to increase bid opportunities for DVBE's.

**Proactive Strategies Employed By RESD To Increase Opportunities For DVBE Participation**

Real Estate Services Division (RESD) takes the following actions:

- Regularly recommends legislative and administrative changes to improve the process.
- Breaks up and de-bundles large projects where permissible, such as with the Coalinga and Butterfield projects.
- Makes the DVBE/SBE Utilization Plan a mandatory and scored portion of the specially legislated Design/Build projects competitions.
- Makes the DVBE/SBE Utilization Plan a part of the Design/Build contracts.
- Helped write and uses the Government Code 14838.7 statutes to directly solicit DVBE/SBE firms for small construction projects under \$120,000.
- Scrutinizes DVBE Good Faith Efforts for signs of bad faith and/or poor outreach and takes action.
- Disqualifies all bidders who do not comply with the DVBE program bid requirements and Good Faith Effort.
- Creates a special DVBE/SBE monthly reporting requirement on contractors with large projects.
- Dedicates a staff person for DVBE/SBE outreach, reporting and coordination.
- Sends a staff person to pre-bid conferences to educate bidders on the DVBE program and encourage them to achieve actual participation.
- Provides helpful DVBE resources and materials to public works bidders.
- Provides telephone assistance on the DVBE program to bidders and contractors.
- Provides regular and custom lists of DVBE firms to prospective bidders.
- Has met or exceeded the 3% DVBE participation goal on all of it's A&E public works design contracts.
- Sends letters to listed DVBE firms alerting them to the fact they are participating on our projects.
- Sends letters to prime contractors who have listed DVBE firms for participation reminding them that they must utilize all listed DVBE firms.
- Attends DVBE conferences and outreach events as funding allows.

Mr. Toirac asked if there were any construction trade contractors in the Council, and several members raised their hands. Mr. Toirac said his department was a very big supporter of the DVBE program and had worked very hard over the years to make things better. He said RESD worked closely with DGS legal staff to make sure they do everything correctly. Mr. Toirac said they hoped to get greater participation in the construction trade area and he was proud that they had exceeded the 3% goal overall. Mr.

Toirac walked the Council through the bid process and asked if anyone had questions. Tim Voors asked why not ask for 5% participation? Mr. Toirac said that was the Director's option. Mr. Kirwan said a letter was sent to DGS demanding 5% participation. Ms. Dennis said she had heard about that the previous day. Allen Amaro suggested changing it to 15% participation as SB gets 25%. He added, "We're not worth 15%? I find it disconcerting. We're being treated like stepchildren, orphans. To me it's disgusting. 3% is a minimum. We should have parity." Jerry Caton asked if there was a way to get bid requests earlier. Mr. Toirac said they were doing more pre-qualified bids. Bob Mulz said he considered 3% a failure. Mr. Gonneville said it was time to move on and Ms. McGirr would speak at the next meeting. Council applauded Mr. Toirac and Ms. McGirr. Ms. Dennis introduced Mr. Ron Joseph, Chief Deputy Director of DGS. Mr. Joseph spoke at 1:57 p.m. and was welcomed with applause from Council. Mr. Joseph thanked Council and said he had been on the job for three months. Mr. Joseph said, "I want to be very candid with you today. I've been on the job three months and have accomplished very little, I'll be the first to admit that. I hope to have a very different assessment of what is going on very soon." He added that both he and Ms. Dennis would continue to focus on the DVBE program. Mr. Joseph then took questions from Council. There was a brief discussion of review of regulations. Mr. Joseph assigned Ms. Dennis to establish a monthly meeting with him to report on the progress of the review. Mr. Gonneville thanked Mr. Joseph for his visit and told him, "You are a very brave man." Council applauded. Mr. Joseph replied, "Thank you, this won't be the last time you see me."

### **Legislative Update**

Ms. Dennis began her presentation at 2:15 p.m. She gave recent history of the regulations and current status. Ms. Dennis said she had hoped to have a rough draft to hand out to council. She said she would convene a team to get the regulations into a draft mode. Jerry Caton asked if the regulations were online? Gloria Anderson said they were accessible from DGS website<sup>1</sup>. Ms. Dennis took questions from council.

### **Adjourn for Break @ 3:01 p.m.**

### **Reconvene @ 3:26 p.m.**

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[www.leginfo.ca.gov](http://www.leginfo.ca.gov) (Military & Veterans Code, Div. 4, Chap. 6, Art. 6, Sect. 999-999.13 and Public Contract Code Sect. 10115-10116)

<http://ccr.oal.ca.gov> (California Code of Regulations, Title 2, Subchapter 10.5, Sect. 1896.60-1896.95)

These codes and regulations are also available from the OSDC website ([www.pd.dgs.ca.gov/smbus](http://www.pd.dgs.ca.gov/smbus)). You click on "About DVBE" and then scroll toward the bottom of the page under Regulations.

### **Selection of Alternate DVBE Co-Chair**

Mr. Gonneville said he would need to be replaced for the next meeting, as he would be recovering from surgery. There was a lengthy discussion regarding the rules and by-laws and how they affected the election of an alternate Co-Chair. Mr. Mulz motioned to make Allen Amaro alternate Co-Chair. A.J. Wilson seconded. Mr. Gonneville called for a vote. The motion was then amended that the alternate would be just for the July meeting while Mr. Gonneville is rehabilitating. Jim Stanfield said he wanted this noted in the Minutes. Mr. Gonneville asked council to vote on amending the motion. Council was tied with five yes and five no votes. At 3:40 p.m. Mr. Gonneville said the original motion was still on the floor as the amendment vote is tied. Mr. Gonneville broke the tie by voting “no”, so that the alternate Co-Chair would not be limited to July. It was then discovered the Council did not have a quorum. Ms. Dennis said 51% was adequate for a quorum. Mr. Stanfield left the meeting at 3:44 p.m. Mr. Gonneville said Council would vote on the original motion that Mr. Amaro would be alternate. Six were in favor, four opposed. Motion carried Mr. Amaro would be the alternate Co-Chair. Frances Trottier suggested Mr. Gonneville appoint an alternate in case someone was to say the motion was invalid due to lack of quorum.

### **Open Forum: Member Issues**

This was a chance for Members to discuss any issues they wanted to bring before Council. Rondia Moss expressed her frustration at not obtaining any state or federal contracts. Kevin O’Connor was critical of the letter from DGS demanding tax returns for DVBE applicants. Ms. Moss said she was adamant that applicants should not have to show tax returns. Mr. Amaro said showing them proves residency. Robert Yaap said, “No, it’s domicile.” Ms. Anderson said domicile means primary place of residence. CUF (Commercially Useful Function) was discussed. Mr. Gonneville told Council they needed to move on at 4:00 p.m.

### **Selection, Discussion and Prioritization of Action Items to CDVA & Committees**

Mr. Gonneville said there were several issues Council needed to discuss including:

- Tax Return Requirement for DVBE Certification
- Domicile Definition
- UC Regents

Mr. Gonneville said there had been much discussion on these issues and they should be put to the Legislative Committee to see if Council might take action to try to change legislation. Mr. Gonneville said he knew the issues would not be resolved today, but invited Council to discuss them. Mr. Gonneville said the Legislative Committee would meet with Ms. Dennis after discussing the issues. Ms. Anderson invited Council Members to call her with questions or concerns.

**Date for Next Meeting**

Mr. Gonneville thanked Council and guests for their attendance and participation. He said Mr. Kirwan would be taking a much more active role at future meetings and he looked forward to his participation. Mr. Kirwan joked, "The honeymoon's over." Mr. Kirwan said the next meeting would be July 15, 2004 from 10:00 a.m. to 3:00 p.m. Robert Yaap said he wanted it noted in the Minutes that Gene Farnsworth had been awarded the national SBA regional DVBE Advocate of the Year title. Council and guests applauded Mr. Farnsworth's achievement.

**Adjournment**

Mr. Kirwan adjourned the meeting at 4:50 p.m.